1956

Annual Report

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

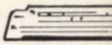
Burlington
Route

BOARD
mRb
652.0973
C4322r

FOREWORD

TO OUR PATRONS—

We express our appreciation to shippers and travelers for their continued patronage of Burlington. It is our desire and effort to give the best possible service at all times.



Cover Picture—
Burlington's new Vista-Dome Denver Zephyrs placed in service October 28, 1956.

One Hundred and Third

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

For the Year Ended
December 31, 1956

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

RALPH BUDD .... Santa Barbara, Cal.
Retired President, Chicago, Burlington & Quincy Railroad Company

JOHN M. BUDD .... St. Paul, Minn.
President, Great Northern Railway Company

KENNETH F. BURGESS .... Chicago, Ill.
Partner, Sidley, Austin, Burgess & Smith

L. R. CAPRON .... Chicago, Ill.
Vice President-Traffic Department
Chicago, Burlington & Quincy Railroad Company

GEORGE M. FOSTER .... Ottumwa, Ia.
Chairman of the Board, John Morrell & Company

J. C. JAMES .... Chicago, Ill.
Retired Executive Vice President and General Counsel,
Chicago, Burlington & Quincy Railroad Company

ROBERT S. MACFARLANE .... St. Paul, Minn.
President, Northern Pacific Railway Company

ELLSWORTH MOSER .... Omaha, Nebr.
President, U. S. National Bank of Omaha

H. C. MURPHY .... Chicago, Ill.
President, Chicago, Burlington & Quincy Railroad Company

CLARENCE B. RANDALL .... Chicago, Ill.
Director, Inland Steel Company

R. DOUGLAS STUART .... Chicago, Ill.
Director, The Quaker Oats Company

EXECUTIVE COMMITTEE

H. C. MURPHY... *Chairman*

JOHN M. BUDD
KENNETH F. BURGESS
GEORGE M. FOSTER
J. C. JAMES
ROBERT S. MACFARLANE
R. DOUGLAS STUART

OFFICERS

H. C. MURPHY, *President* .... Chicago
F. L. KARTHEISER, *Vice President-Executive Department* .... Chicago
L. R. CAPRON, *Vice President-Traffic Department* .... Chicago
S. L. FEE, *Vice President-Operating Department* .... Chicago
A. W. LAVIDGE, *Vice President and Comptroller* .... Chicago
ELDON MARTIN, *Vice President and General Counsel* .... Chicago
HOLLY STOVER, *Executive Assistant* .... Chicago
F. E. SPERRY, *Assistant Vice President-Operating Department* .... Chicago
J. E. WOLFE, *Assistant Vice President-Labor Relations* .... Chicago
R. W. COGLAN, *Treasurer and Assistant Secretary* .... Chicago
A. D. McLANE, *Secretary, Assistant Treasurer and Transfer Agent* .... Chicago
J. F. McALPINE, *Director of Purchases and Stores* .... Chicago
WALTER McFARLAND, *Assistant General Counsel* .... Chicago
R. T. CUBBAGE, *Assistant General Counsel* .... Chicago
C. W. KROHL, *General Solicitor* .... Chicago
R. C. SMITH, *General Auditor* .... Chicago
E. J. BROWN, *Chief Engineer* .... Chicago
R. M. O'KELLY, E. V. FINK } *Fiscal Agents* .... 2 Wall Street, New York
GERARD MONTGOMERY, CLARA M. BYRNES } *Transfer Agents* .... 2 Wall Street, New York
SECOND BANK-STATE STREET TRUST COMPANY, *Fiscal Agent and Transfer Agent*, State and Congress Streets, Boston

The above were Directors and Officers as of December 31, 1956.

HIGHLIGHTS OF OPERATIONS

	1956	1955	Increase (I) or Decrease (D)
Operating Revenues (Page 29)	$257,032,495	$249,226,272	$ 7,806,223 (I)
Operating Expenses (Page 29)	$196,359,600	$190,704,931	$ 5,654,669 (I)
Operating Ratio (Page 29)	76.39	76.52	.13 (D)
Available for Fixed Charges	$ 28,323,045	$ 28,792,024	$ 468,979 (D)
Fixed Charges (Page 29)	$ 6,757,827	$ 6,634,178	$ 123,649 (I)
Times Fixed Charges Earned	4.19	4.34	.15 (D)
Total Taxes (Page 25)	$ 29,940,857	$ 28,850,235	$ 1,090,622 (I)
Net Income	$ 21,565,218	$ 22,157,846	$ 592,628 (D)
Dividends Paid	$ 12,812,902	$ 12,812,902	
Averages per Share of Stock:			
Taxes	$ 17.53	$ 16.89	$ .64 (I)
Net Income	$ 12.62	$ 12.97	$ .35 (D)
Dividends Paid	$ 7.50	$ 7.50	
Net Investment	$718,977,891	$710,822,908	$ 8,154,983 (I)
Rate of Return on Net Investment	3.55%	3.73%	.18 (D)
Average Number of Employes	26,357	27,368	1,011 (D)
Total Wages	$ 128,270,565	$122,475,678	$ 5,794,887 (I)
Revenue Ton Miles	16,670,939,060	16,096,078,287	574,860,773 (I)
Revenue Passenger Miles	886,356,727	861,327,340	25,029,387 (I)
Miles of Road Operated—end of year	8,799.59	8,805.85	6.26 (D)
Total Outstanding Funded Debt including Equipment Obligations (Page 36)	$216,958,915	$216,915,240	$ 43,675 (I)

MAY 15 1957 A 9

REPORT

for the Year Ended December 31, 1956

The total operating revenues, $257,032,495, were the highest in the last three years and have been exceeded only in the years 1951, 1952, and 1953.

Freight revenue for the year 1956 was $212,288,429 compared with $203,700,425 in 1955, an increase of 4.2 per cent.

Passenger revenue for the year 1956 was $20,226,396 compared with $19,249,645 in 1955, an increase of 5.1 per cent.

The revenue ton miles handled in 1956 were 3.6 per cent greater than in 1955 and were handled with 4.1 per cent fewer freight train miles. The revenue per ton mile in 1956 was 1.273 cents compared with 1.266 cents in 1955, an increase of only .6 per cent, which is less than the percentage of increase in freight rates granted effective in March 1956. The volume of lower-rated traffic handled was greater and the volume of higher-rated traffic handled was lower in 1956 than in 1955. The largest decreases were in lumber, shingles and lath, passenger automobiles, and ammunition and explosives.

The revenue passengers one mile increased from 861,327,340 in 1955 to 886,356,727 or 2.9 per cent, and passenger train miles increased from 11,911,929 to 11,969,066 or .5 per cent. The average revenue per passenger mile increased from 2.235 cents in 1955 to 2.282 cents in 1956.

Operating expenses in 1956, $196,359,600, were 3.0 per cent greater than in 1955. The operating ratio for 1956 was 76.39 per cent compared with 76.52 per cent in 1955.

Capital improvements made during the year 1956 amounted to $31,337,384 and for the past ten years the gross capital expenditures have totaled $327,991,578.

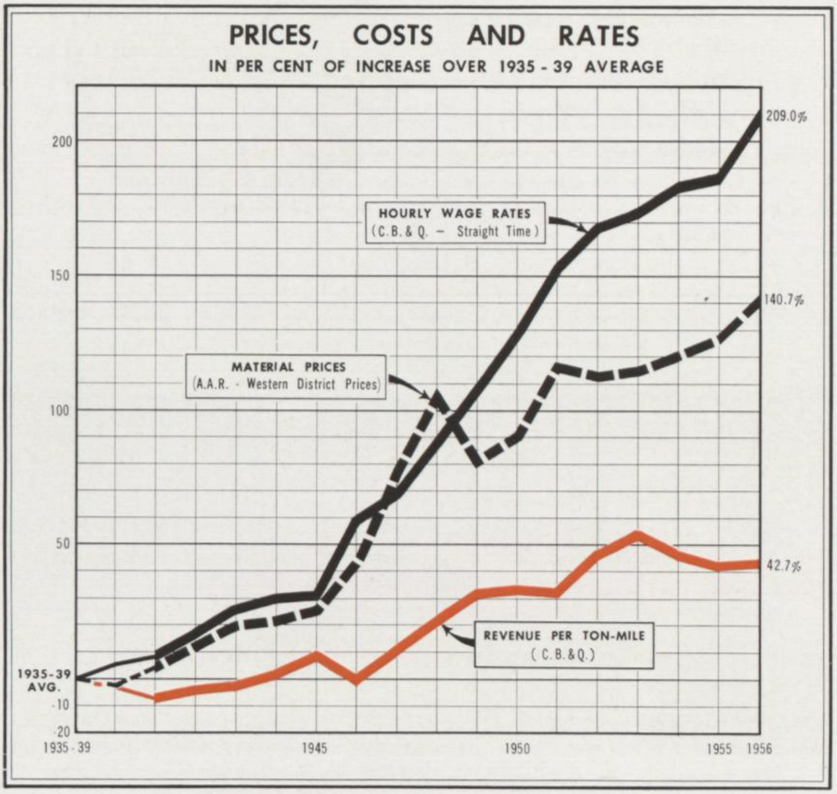
Capital Expenditures 1947-1956, inclusive

	Gross	Retirements	Net
Road and General	$112,972,230	$ 38,849,744	$ 74,122,486
Equipment	215,019,348	62,337,260	152,682,088
Total	$327,991,578	$101,187,004	$226,804,574

Capital Expenditures by years 1947-1956, inclusive

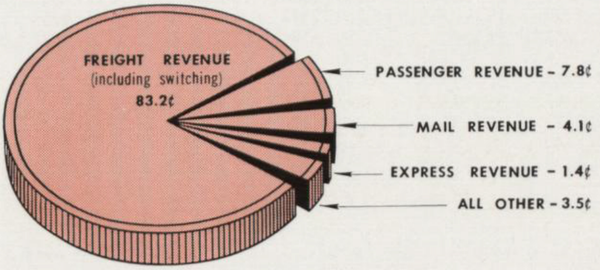
	Gross		Retirements		Net	
Year	Road and General	Equipment	Road and General	Equipment	Road and General	Equipment
1947	$ 8,579,787	$22,387,809	$ 1,984,481	$ 4,533,130	$ 6,595,306	$17,854,679
1948	11,201,800	23,730,001	2,507,110	3,642,879	8,694,690	20,087,122
1949	9,256,970	19,161,939	2,645,945	3,677,817	6,611,025	15,484,122
1950	12,351,007	22,524,912	2,591,619	6,380,550	9,759,388	16,144,362
1951	8,647,919	21,080,167	2,701,451	7,575,134	5,946,468	13,505,033
1952	18,567,860	21,193,836	3,933,614	7,049,231	14,634,246	14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
1955	5,390,690	19,825,370	6,466,453	6,502,707	Cr. 1,075,763	13,322,663
1956	16,466,228	14,871,156	7,077,988	3,469,423	9,388,240	11,401,733
Total	$112,972,230	$215,019,348	$38,849,744	$62,337,260	$74,122,486	$152,682,088

These capital expenditures resulted in increased efficiency. They provided the improved tools and equipment that made it possible to offset, in part, recurring increases in operating expenses and at the same time enabled the Company to furnish an improved service. However, the chart shows that substantial rises in the cost of labor and materials, year after year, have exceeded gains in revenue per ton mile.

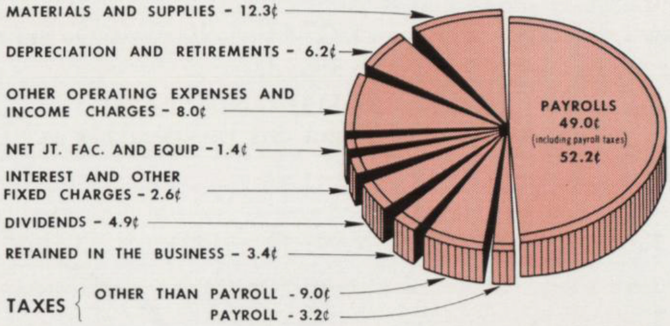


OUR 1956 INCOME DOLLAR

WHERE IT CAME FROM



WHERE IT WENT



New Vista-Dome Denver Zephyrs placed in Service Sunday, Oct. 28, 1956 between Chicago—Denver—Colorado Springs.

FREIGHT TRAFFIC

Revenue tons carried in 1956 were 50,130,458 compared with 49,183,080 in 1955, an increase of 947,378 or 1.9 per cent.

Carloads of revenue freight in 1956 were 1,460,407, an increase of 22,811 over 1955, or 1.6 per cent.

Average load per car of carload freight was 34 tons, the same as in 1955; in 1940 the average load was 31 tons.

Source of Freight Revenue

	1956 Revenue*	Per Cent of Total	Per Cent Change from 1955 Increase	Per Cent Change from 1955 Decrease
Products of Agriculture	$ 43,257,439	18.90	3.35	
Animals and Products	19,963,490	8.72	8.47	
Products of Mines	38,217,987	16.70	8.70	
Products of Forests	13,396,701	5.85		8.82
Manufactures and Miscl.	94,210,641	41.16	3.06	
Forwarder Traffic	12,051,836	5.26	5.80	
Less Carload Freight	7,815,696	3.41		.23
Total	$228,913,790	100.00	3.61	

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $212,288,429.

High speed Burlington Diesel freight on the Chicago-Kansas City main line.

AGRICULTURE AND LIVESTOCK

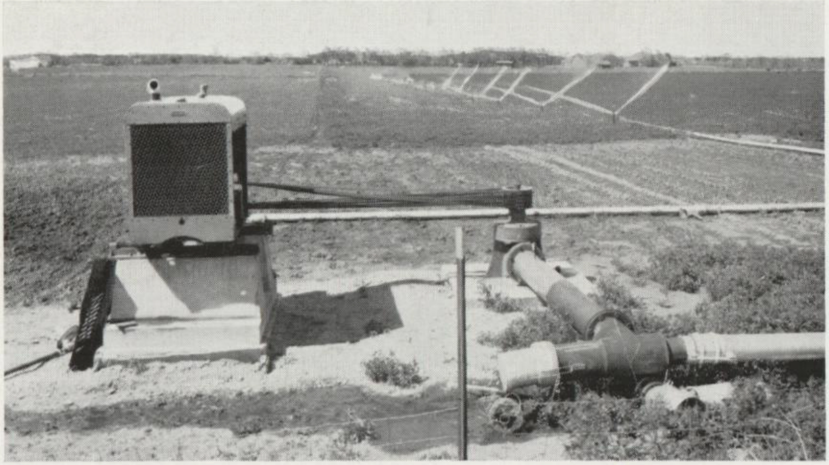
During 1956, dry weather west of the Missouri River reduced production of major farm crops but this was largely offset by excellent growing conditions in Lines East territory. In Burlington states there were decreases compared with 1955 in production of the following commodities: wheat 4.1 per cent, barley 18.0 per cent, oats 29.5 per cent, hay 3.9 per cent, and edible beans 10.8 per cent. The increases in production compared with 1955 were: corn 11.3 per cent, potatoes 5.8 per cent, sugar beets 16.0 per cent, soybeans 24.9 per cent.

The acreage planted to winter wheat in the fall of 1956 in Burlington states for harvest in 1957 is 22.5 per cent under the previous year. This reduction is largely due to farmers placing wheat acreage damaged by drought in the U.S. Department of Agriculture "Soil Bank." Farmers participating in this program receive Government payments for not farming their wheat land.

At the close of 1956, in Burlington states total quantity of wheat in storage declined 1.6 per cent and oats decreased 27.5 per cent, while corn increased 16.0 per cent and barley 7.2 per cent over a year ago.

Approximately 4,000 new irrigation wells were completed in Nebraska in 1956 which provided water for about 250,000 acres of semi-arid farm land. Irrigation greatly increases the productive capacity of these soils. Approximately 14.5 per cent of the total Nebraska acreage in corn was irrigated and produced more than one half of the state's corn crop.

This new irrigation well near Hastings, Neb., pumps 2000 gallons per minute.



A well in central Nebraska showing use of new portable sprinkling system for irrigating crops.

During 1956, our agricultural department cooperated with governmental agencies, business groups, and farm organizations in conducting meetings and farm institutes to promote irrigation and improved farming methods in territory served by the Burlington.

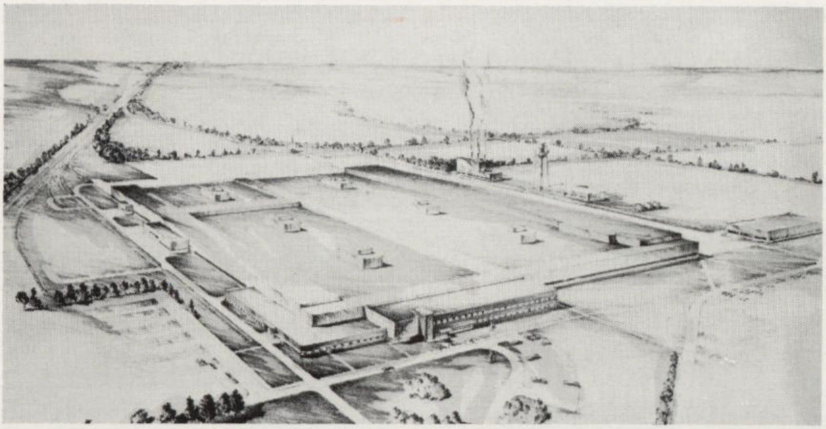
At the close of 1956, in Burlington states there were 5.6 per cent more cattle on feed compared with the previous year and 7.0 per cent more sheep and lambs.

INDUSTRIAL DEVELOPMENT

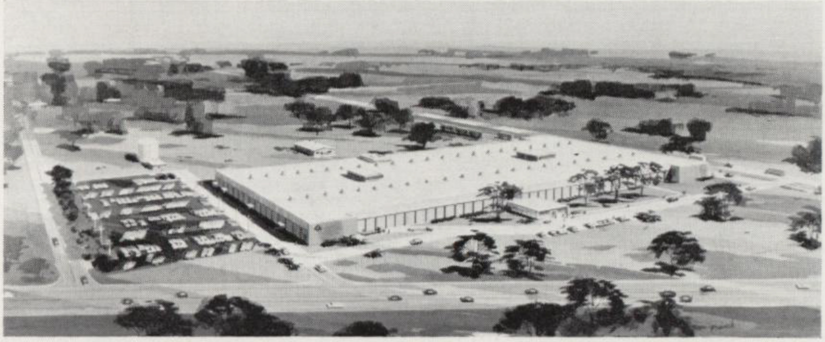
During the year, 506 new industrial leases were issued on land owned by the CB&Q. Fourteen new industries purchased a total of 138 acres of CB&Q-owned land on which to erect new plants and 39 new industries located on other lands available to our service, making a total of 53 new industries that have purchased sites served by CB&Q trackage. Twenty-one industries served by our line enlarged their plant facilities. Sixty-one new industrial tracks or track extensions were built and five temporary contractors' tracks were installed.

During the year, arrangements were completed to purchase 85 acres of land at Burlington, Iowa, 115 acres at Fremont, Nebraska, 200 acres at Council Bluffs, Iowa, and 30 acres at Sterling, Colorado, for industrial development. Chambers of Commerce and other civic groups at several communities have also purchased or set aside acreages adjoining our trackage for industrial purposes.

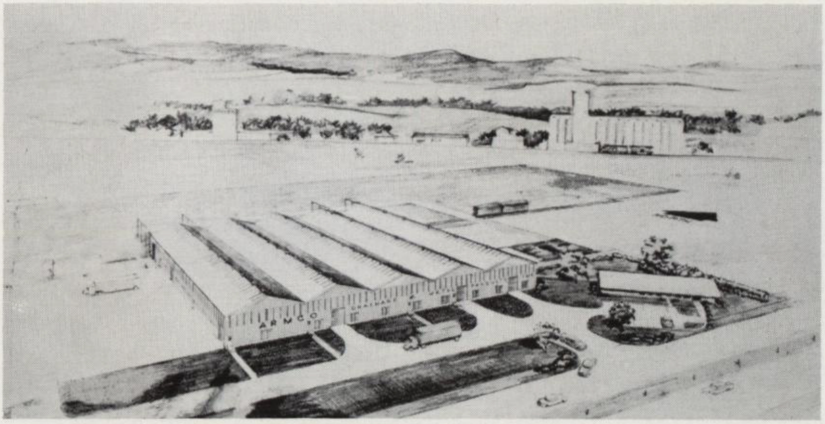
Our 600-acre industrial district at Aurora, Illinois, has been cleared and public utilities, roads, and trackage are being installed to serve the area.



New Caterpillar Tractor Co. plant under construction near Aurora, Ill.—
1,250,000 square feet all under one roof.



. . . Another being built in the Burlington Industrial District of Aurora is this 270,000 square foot plant for the All-Steel Equipment Co.



Plant being constructed for Armco Drainage & Metal Products, Inc., in Burlington's Sand Creek Industrial District near Denver, Col.

PORT OF CHICAGO

Supporters of the Port of Chicago continue to express optimistic views with respect to the importance of making Chicago a world port. The Chicago Regional Port District's initial development is Lake Calumet Harbor, construction of which began in 1955. Principal constructions at Lake Calumet Harbor are two grain elevators with a total capacity of thirteen million bushels designed to load ocean and lake vessels with 100,000 bushels per hour. For general cargo purposes there will be six transit sheds, fully protected by sprinklers and unlimited as to floor loads, and a large backup warehouse 1,000 feet by 200 feet. Lake Calumet Harbor will be served by the Port Terminal Railroad and Burlington deliveries to it will be through the Belt Railway Company of Chicago if Belt Railway Company's application to serve the area is approved.

FREIGHT RATES

The general increase granted in Ex Parte 196 became effective March 7, 1956, as outlined in the Annual Report for 1955.

Because of the need of the carriers for further revenues, a petition was filed with the Interstate Commerce Commission September 27, 1956, for an increase of generally 15 per cent, which the Commission identified as Ex Parte 206. Following a wage award to non-operating unions effective November 1, 1956, the carriers on November 6, 1956, filed a motion in the same proceedings which resulted in the Interstate Commerce Commission authorizing an emergency increase effective December 28, 1956, of 5 per cent in the West and inter-territorially and 7 per cent in the East. Certain "hold-downs" were prescribed on lumber, canned goods, and a number of other commodities, also specific increases in cents per ton were authorized on coal. Additional increases are being sought in these proceedings designed to produce a total increase of generally 22 per cent, including the emergency increase mentioned.

A new reduced basis of Trans-continental class rates mentioned in the Annual Report for 1955 became effective September 1, 1956.

KOKOMO CASE

The Kokomo Case, involving rates on iron and steel from certain Western Trunk Line shipping points as well as eastern shipping points to important Western Trunk Line destination territory, is again before the Courts on petition of interested railroads. Aside from involving a great deal of railroad iron and steel traffic, an important principle is involved regarding freedom of rail carriers to meet rates of competing forms of transportation.

PASSENGER TRAFFIC

During the past five years, the Burlington's portion of the western passenger traffic has shown a continuing increase.

To a large extent, this increase has been due to concentration on quality of equipment and service. Outstanding examples are the new Denver Zephyrs between Chicago-Omaha-Denver (with through service to Colorado Springs via the Rio Grande), which entered regular service on October 28, 1956, after being exhibited at a number of cities between Chicago and Denver-Colorado Springs. The new trains have Vista-Domes, colorful interiors, varied accommodations, distinctive dining cars, western-styled snack cars, and parlor-observation-lounge cars, all designed to attract additional passengers. A special feature, and another Burlington first, was the introduction of a new and specially designed SLUMBERCOACH providing the coach passenger a private room with arm rest chair for day, made into a real bed for night, private toilet facilities, and ample baggage space. Passengers require only coach fare tickets plus a modest occupancy charge. By "duplexing," each Slumbercoach has 24 single and 8 double rooms, with a total capacity for 40 passengers per car.

The new Vista-Dome Denver Zephyrs have developed a substantial

Bright colors and friendly service provide a superb setting for delicious meals in the beautifully appointed dining cars of the new Denver Zephyrs.

amount of new business. The Slumbercoach is attracting passengers from chair coaches without diversion from Pullman—which is what they were designed to do.

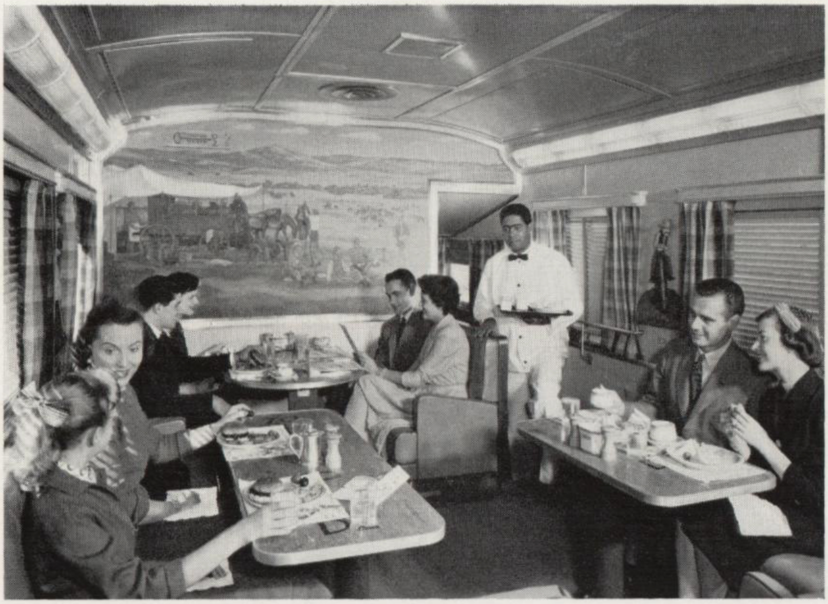
The Burlington believes in the future of railroad passenger service. We are confident that with the growth of our nation the railroads will, with proper pricing and service, enjoy a volume of traffic that will enable the continuance of good, fast, comfortable and safe day and night passenger service between centers of population.

To encourage passenger travel, Burlington continued its system-wide student educational tour program which provides an opportunity for students to join sponsored groups for a journey by train, a meal in a dining car, and a visit to the many interesting and educational sights of a "big city." Through these tours many youngsters enjoy their first train ride. During the 1956 school year, 49,808 participated in these student educational tours. Other examples of "created" traffic are Burlington camera fan tours, historic tours, spring-tonic tours, and baseball, theater, football, and Indian Summer tours.

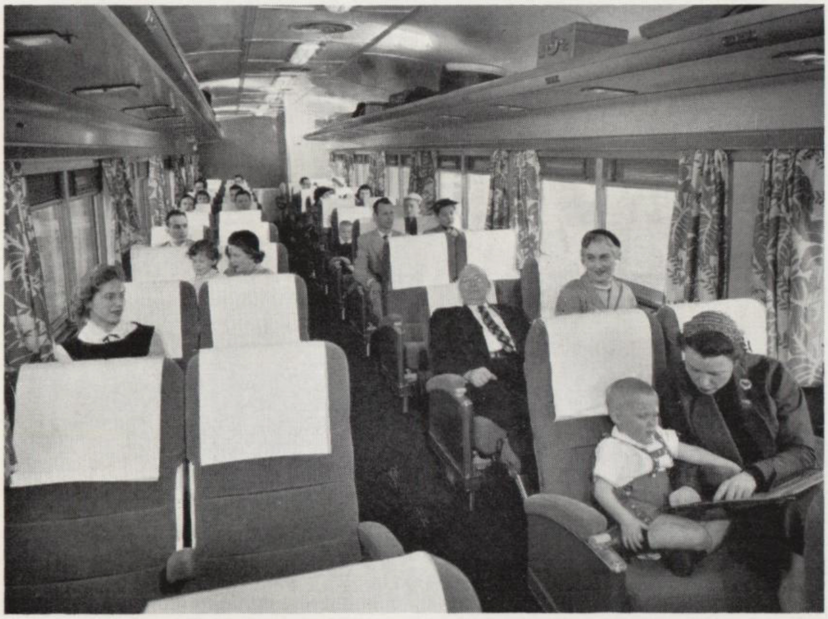
Total passenger revenue in 1956 was $20,226,396, an increase of $976,751 or 5.1 per cent over 1955. Passenger train miles increased 57,137 or .5 per cent over 1955; passenger car miles increased 1,328,133 or 1.3 per cent compared with 1955.

Revenue passengers carried (excluding commutation—multiple-ride tickets to Chicago only) increased 314,224 or 6.2 per cent over 1955 and passengers one mile increased 24,076,491 or 3.2 per cent over 1955.

Happy student group assembled for a typical Burlington Educational Tour. For many of these students this was their first train ride.



Authentically western in decor and cuisine is the Chuck Wagon—colorful mid-train buffet car on the new Denver Zephyr.



The coaches of the new Denver Zephyrs have deep-cushioned reclining seats, new stretch-out leg rests and adjustable head rests.

Burlington introduced the first Vista-Dome in 1945 and today operates the largest fleet of Dome cars. This is a Dome car on the new Denver Zephyrs.

The Slumbercoach, another Burlington first, provides space for 40 passengers in 24 single and 8 double rooms.

Letting the Engineer do the driving is a good idea as mother and daughter relax in the deep-cushioned reclining seat chairs on a Zephyr.

PASSENGER RATES

Effective May 1, 1956, one-way and round-trip coach and first-class fares were increased 5 per cent for interstate and generally for intrastate travel (in Illinois the application is pending). Effective May 1, 1956, the Pullman Company increased all space rates and charges 7½ per cent for interstate and generally for intrastate travel (in Illinois the increase becomes effective January 12, 1957). Burlington also increased the parlor car seat fares in railroad-operated parlor cars 7½ per cent effective May 1, 1956, for interstate and intrastate travel generally (in Illinois the increase becomes effective January 12, 1957).

During the year, Burlington and other western carriers applied to the Interstate Commerce Commission and State Commissions for an additional 5 per cent increase in one-way basic coach and first-class fares to become effective January 1, 1957, which was granted for interstate as well as intrastate travel generally (in Illinois the application is pending). Round-trip coach and first-class fares were increased 5 per cent while the formula for producing round-trip first-class station-to-station fares was changed from 166 per cent to 180 per cent of the new one-way first-class fares which produced an increase of 13.4 per cent in such fares.

The Pullman Company also applied to the Interstate Commerce

Commission and State Commissions for authority to make an additional 7 per cent increase in all space rates and charges effective January 1, 1957, which was permitted for interstate and generally for intrastate travel (in Illinois and Nebraska the matter is pending).

Unprofitable Passenger Trains—During the year, applications were made to State Commissions for permission to discontinue unprofitable passenger train operations on five different branch lines, but no decisions of the Commissions were effective during the year. Authority was received to discontinue Saturday and holiday service on the line between Ft. Madison and Bloomfield, Iowa, effective March 30, 1956.

MAIL

U.S. mail income for the year 1956 was $10,583,811 compared with $10,015,901 for the year 1955, or an increase of $567,910 over 1955—5.67 per cent.

The Post Office Department is continuing in its efforts to increase postal rates. The proposal made during 1956 for 4 cents first class and 7 cents air mail was denied by Congress and later in 1956 the Postmaster General proposed changing 3 cents mail to 5 cents with prerogative of the Department to forward via air or ground, and apparently with no provision for straight air mail rates. It is expected much opposition will develop, particularly from large users of letter mail as well as the railroads. Under a common rate, further diversions of mail, from rails to air, would be expected.

EXPRESS

Express revenue for the year 1956 amounted to $3,532,844 compared with $3,381,927 in 1955, an increase of $150,917 over 1955 or 4.46 per cent. Effective in March and April 1956, express rates were increased 7 per cent (with some exceptions). The increased carload rates on fruits and vegetables are the subject of a complaint now pending before the Interstate Commerce Commission. Also effective in April 1956 were increases of 15 per cent for standard refrigeration charges (including protective service), 6 per cent in milk and cream rates, and 6 per cent in terminal and switching charges.

Effective December 27, 1956, rates for most of less than carload traffic (except milk, cream, and newspapers) were increased 4 per cent. This increase is not expected to more than offset the higher cost factors in handling express.

OPERATIONS

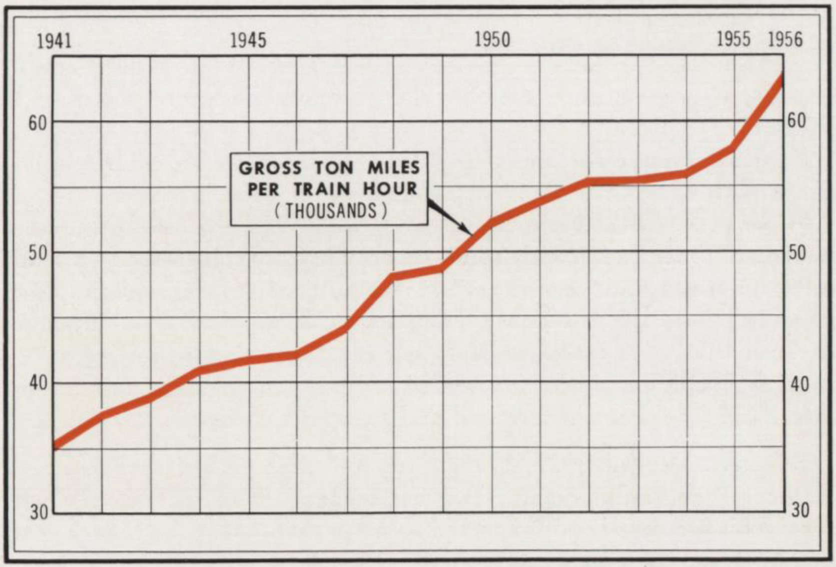
Maintenance of Way and Structures expenses, excluding depreciation and retirements, decreased $1,800,177 or 5.6 per cent under 1955. Important track maintenance work performed during the year was:

Track relaid with new 112-pound T.R. rail	**104.83 miles**
Track relaid with secondhand 112, 110, 100 and 90-lb. rail	**147.70 miles**
New creosoted cross ties placed in track	**511,000**
Ballast applied	**320,000 cu. yards**

Maintenance of Equipment expenses, excluding depreciation and retirements, increased $2,752,825 or 9.5 per cent over last year. All equipment was currently maintained and, in addition, 2,988 cars were given general repairs.

Transportation expenses increased $2,540,293 or 2.6 per cent over 1955.

★ ★ ★ ★ ★ ★



IMPROVEMENTS

Capital expenditures in 1956:

	Gross	Retirements		Net
Road	$16,462,311	$ 6,844,001		$ 9,618,310
Equipment	14,871,156	3,469,423		11,401,733
General	3,917	233,987	Cr.	230,070
Total	$31,337,384	$10,547,411		$20,789,973

ROAD

Capital charges for improvement and replacement of bridges amounted to $2,396,156.

Major improvements completed during the year:

Replacement of bridge 0.86 over Platte River in Denver, Colorado.

This improvement provides a permanent bridge to insure uninterrupted movement in an area of heavy traffic.

Replacement of temporary bridge 13.55 over Ogden Avenue (U.S. Route 34) at LaGrange, Illinois, with permanent structure.

This was a joint project with the State. It provides a clear span for highway traffic and insures uninterrupted train operations over this bridge which carries all traffic into Chicago.

Construction of subway to carry U.S. Route 24 under Burlington tracks near station at Quincy (West).

This was a joint project with the State of Missouri. It eliminates a heavily traveled grade crossing which was only 900 feet from Burlington's new Quincy (West) station.

Relocation of 2.95 miles of line and raising grade of existing line near Glendo, Wyoming, in connection with dam and reservoir construction by Bureau of Reclamation.

Construction of warehouse at St. Louis, Missouri.

100
BURLINGTON

A big four unit diesel freight starts its night trek west out of Cicero Yard.

Major improvements under construction:

Installation of cab signal system, including application of equipment to locomotives.

Equipment installation on locomotives is complete and system is in service from Union Avenue, Chicago, through Aurora to Savanna, Illinois, including centralized traffic control Union Avenue, Chicago, through LaVergne.

Consolidation of terminal facilities at St. Joseph, Missouri, for maintenance and servicing of Diesel locomotives due to conversion from steam to Diesel.

All unnecessary buildings are being retired and remaining facilities consolidated to provide more economical operations, reduce heating expense, maintenance, etc.

Construction of a modern classification yard, at Cicero, Illinois, with electronically controlled retarders, and other necessary yard facilities.

This improvement will result in faster and more efficient handling of cars through the terminal at Chicago.

Construction of additional facilities at Galesburg Timber Treating plant.

These improvements will enable Galesburg to handle all timber treating requirements and permit retirement of the Sheridan, Wyoming, plant.

Construction of direct connection from Sioux City Bridge Company's tracks to Great Northern Railway Company's 26th Street Yards at Sioux City, Iowa.

This improvement will expedite movement of traffic and eliminate a number of street crossings.

Line change at Woodlawn, Nebraska.

This work is being done to permit extending runways at the Lincoln, Nebraska, Air Base.

Facilities for maintenance and servicing of Diesel locomotives at Lincoln, Nebraska.

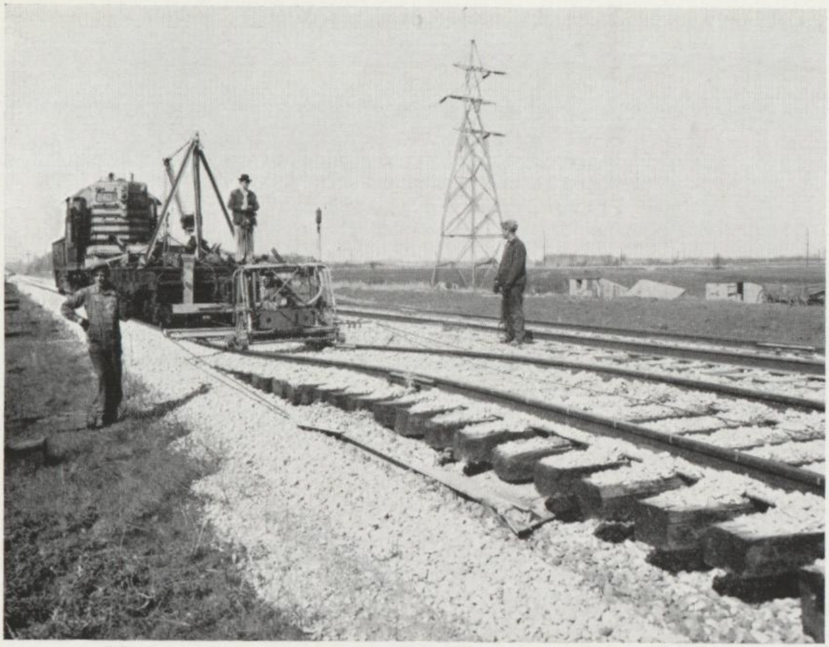
This installation will permit extending the pool of Diesel locomotives to Lincoln and facilitate their proper servicing between assigned runs.

Installation of centralized traffic control system at Burlington, Iowa, and automatic highway crossing protection at eight street crossings.

This will permit safer and faster movement of vehicular traffic.

Installation of centralized traffic control system, together with necessary track changes, between Hannibal and Mark, Missouri; Mark and Palmyra, Missouri; and Palmyra and Macon, Missouri.

These improvements are part of an overall plan to expedite movements between Chicago and Kansas City, and between St. Louis and points north and west thereof.



Mechanized maintenance at work—a Burlington track team is sledding new ballast under track.

A multiple tie tamper, efficiently tamping ballast into place for a smooth passenger and freight ride.

EQUIPMENT PLACED IN SERVICE

Built in Company Shops:

316—53′6″ 50-ton all steel flat cars.
50—60′0″ 70-ton all steel flat cars.
40—65′6″ 70-ton all steel mill type gondola cars.
350—50′6″ 50-ton all steel box cars.
1—50′0″ 70-ton mechanical refrigerated car.

Purchased:

5—2400 h.p. E-9 Diesel-electric passenger locomotives.
2—Stainless steel passenger coaches with Vista-Domes.
2—Stainless steel coffee-shop-dormitory cars with Vista-Domes.
2—Stainless steel parlor-observation cars with Vista-Domes.
5—Stainless steel passenger coaches.
4—Stainless steel Slumbercoaches with sleeping accommodations.
9—Stainless steel sleeping cars with 6 double bedrooms and 10 roomettes.
2—Stainless steel sleeping cars with 6 double bedrooms and 5 compartments.
2—Stainless steel dining cars.

EQUIPMENT ON ORDER, DELIVERY EXPECTED IN 1957

To be Built in Company Shops:

297—29′3″ 70-ton all steel covered hopper cars.
300—50′6″ 50-ton all steel box cars.
*1500—40′6″ 50-ton all steel box cars.
50—60′0″ 50-ton all steel flat cars.
74—53′6″ 50-ton all steel flat cars.
600—52′6″ 70-ton all steel mill type gondolas.
70—50′0″ 70-ton mechanical refrigerated cars.
100—50′6″ 50-ton all steel roller bearing D.F. insulated cars.
*To be started in December 1957.

To be Purchased:

30—1750 h.p. SD-9 Diesel-electric road-switch locomotives.
10—Stainless steel double-deck suburban cars.
52—29′6″ 70-ton airslide covered hopper cars.

PRIVATE LINE MILEAGE AND PER DIEM RATE

The mileage rate on tank cars was increased from three cents to four cents per mile effective November 1, 1956, which will increase the payments by Burlington about $758,000 per year.

An increase in the freight car per diem rate from $2.40 to $2.75 is effective January 1, 1957, which it is estimated will amount to a credit to Burlington of approximately $710,000 per annum.

SIGNALING

The consolidation of interlocking plants on the Chicago Division, which included centralized control of the interlockings at Western Avenue, Kedzie Avenue, Cicero and LaVergne, was completed in 1956.

Modern highway grade crossing protection was installed at eleven new crossings and six existing installations were modernized.

The cab signal system for passenger train operation, which had been completed between Chicago and Steward Junction, Illinois, was extended to Savanna, Illinois, in 1956.

Centralized Traffic Control panel at Freight House 9, Cicero, Ill., controls trains Chicago to La Vergne. This is being extended to Aurora.

LINE ABANDONMENTS

On May 14, 1956, the Interstate Commerce Commission authorized the abandonment of the line of railroad between Stockport and Birmingham, Van Buren County, Iowa, a distance of approximately 6.39 miles. The line was abandoned on June 29, 1956.

By order dated June 7, 1956, effective July 7, 1956, the Interstate Commerce Commission authorized abandonment of the interchange track jointly owned by Chicago, Burlington & Quincy Railroad Company and the Chicago and North Western Railway Company near Virden, Macoupin County, Illinois, approximately .95 mile.

An application for authority to abandon the line between Osceola and Truro, Iowa (21.70 miles) is pending before the Interstate Commerce Commission.

LABOR

An agreement effective November 1, 1956 was entered into with eleven cooperating non-operating organizations providing for a wage increase of 10 cents per hour, plus a group insurance plan for dependents of eligible employes equivalent to 2½ cents per hour; a semi-annual cost-of-living adjustment, commencing May 1, 1957, of 1 cent per hour for each .5 point change in the Bureau of Labor Statistics Consumers' Price Index, using as a base the September 1956 index of 117.1; an additional increase of 7 cents per hour effective November 1, 1957, and a further increase of 7 cents per hour effective November 1, 1958. A three-year moratorium on wages and compensatory rules was made a part of this agreement. Similar agreements have been made with organizations representing mechanical foremen, red caps, and sleeping car porters, and assuming the dispatchers and yardmasters' organizations sign similar agreements, the total first year effect on the CB&Q operating expenses will be an increase of approximately $5,100,000.

An agreement effective November 1, 1956 was also made with the Brotherhood of Locomotive Firemen and Enginemen for a wage increase of 10 cents an hour for all employes, except those in yard service who are on a five-day week basis were granted 16 cents per hour. The same provisions for second and third year increases, cost-of-living adjustments, and moratorium on wages and compensatory rules were made as contained in the agreement with the non-operating organizations. The CB&Q operating expenses will be increased approximately $375,000 the first year under this settlement.

Negotiations were still in progress at the end of 1956 with the three other organizations representing operating employes.

SAFETY AWARDS

The National Safety Council's Awards of Merit were conferred on the Communications Department and the McCook, Nebraska, Division in recognition of outstanding safety performances.

BURLINGTON
SILVER GARDEN

One of the Dome cars on the Kansas City Zephyrs. Passengers report a thrilling ride in the Vista-Domes even at night.

FINANCIAL

During 1956 capital liabilities of the Company increased $43,675:

	Increase	Decrease	Net
Funded Debt	$	$ 3,415,000	$3,415,000 Decrease
Equipment Obligations	11,400,000	7,941,325	3,458,675 Increase
Total	$11,400,000	$11,356,325	$ 43,675 Increase

The total interest charges for 1956 increased $118,885.

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1956, the ninety-fifth consecutive year in which the Company has paid a dividend.

TAXES

Tax accruals in 1956 increased $1,090,622 compared with 1955:

	1956	
Federal Income Taxes	$11,773,200	$1,214,852 Increase
Federal Railroad Retirement Taxes	6,619,013	41,388 Increase
Federal Unemployment Taxes	1,592,169	1,066,387 Increase
State and Other Government Taxes	11,408,139	219,659 Increase
Total	$31,392,521	$2,542,286 Increase
Federal Income Taxes credited to Profit & Loss	1,451,664	1,451,664 ....
	$29,940,857	$1,090,622 Increase

Total taxes in 1956 amounted to 11.65 per cent of total operating revenues, equivalent to $17.53 per share of capital stock.

ACCELERATED AMORTIZATION

The Internal Revenue Service has allowed deductions in income tax returns of amortization of a part of the cost of certain equipment and other facilities over a 60-month period. The Interstate Commerce Commission has allowed only normal depreciation charges in the stated income account. This has had the effect of increasing the stated net income during the amortization period and after the amortization period the inclusion of the normal depreciation charges on the amortized property will have the effect of reducing the stated net income.

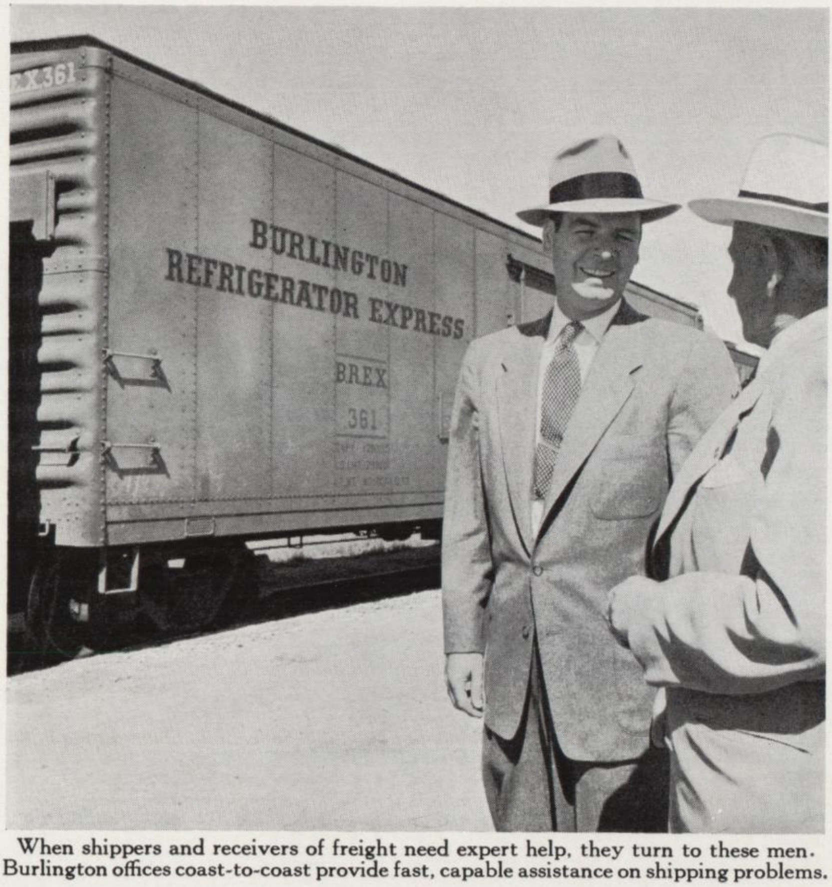
The effect on net income resulting from tax deferment covering accelerated amortization in excess of normal tax depreciation is the same as shown below under "Tax Deferment."

Year	Accelerated Amortization	Tax Deferment	Tax Deferment per Common Share
1951	$ 2,914,336	$1,414,408	$ .83
1952	4,785,467	2,483,042	1.45
1953	6,529,313	3,395,243	1.99
1954	8,638,003	4,491,761	2.63
1955	9,728,554	5,058,849	2.96
1956	10,189,085	5,298,324	3.10

EMPLOYE BENEFITS

The Relief Department paid out $815,670 in disability and death claims to 3,893 employes during the calendar year 1956.

The Company paid federal taxes of $6,619,013 to provide for disability and old-age retirement of employes. The Company also paid a federal unemployment insurance tax of $1,592,169, which was $1,066,387 more than the tax paid in 1955. This increase resulted from the contribution rate being raised from ½ per cent to 1½ per cent effective January 1, 1956, in accordance with Section 8 of the Unemployment Insurance Act, as the balance in the Unemployment Insurance Account dropped below $400 million at the close of business on September 30, 1955. A further increase to 2 per cent is effective January 1, 1957, as the balance in the Unemployment Insurance Account dropped below $350 million at the close of business on September 30, 1956.



When shippers and receivers of freight need expert help, they turn to these men. Burlington offices coast-to-coast provide fast, capable assistance on shipping problems.

BURLINGTON TRUCK LINES, INC.

During the year, Burlington Truck Lines, Inc., a wholly-owned subsidiary, had a net profit of $824,609 compared with a net profit of $342,170 in 1955.

Operating revenues were $11,454,535, an increase of $1,877,558 or 19.61 per cent over 1955.

Operating expenses were $9,448,934, an increase of $1,324,380 or 16.30 per cent over 1955.

Truck miles operated over an average of 5,843 route miles were 13,393,517, an increase of 2,060,182 or 18.18 per cent over 1955.

During the year, additional new equipment was purchased to take care of an increase in business—50 trucks, 130 tractors, and 444 trailers. All of the over-the-road equipment is modern and up-to-date. Units of revenue freight equipment owned as of December 31, 1956, compared with December 31, 1955, were as follows:

	1956	**1955**
Trucks	173	171
Truck-tractors	374	287
Semi-trailers	1,047*	699†

*Includes 55 under lease.
†Includes 145 under lease.

Burlington Truck Lines, Inc. is performing the pick-up and delivery service for Burlington at 46 points, the work at three points having been added in 1956.

Trailer-on-flat-car (piggy-back) continues to show a very favorable growth. During 1955 approximately 6,500 loaded trailers moved in that service; in 1956 this increased to about 10,500. At the present time Burlington is fitting up twenty-five additional flat cars to handle one trailer each, which will make a total of 205 Burlington-owned flat cars in that service.

During the year, the Interstate Commerce Commission granted temporary authority to operate Coffey's Transfer (585 route miles) with rights in Nebraska and Kansas. It is hoped permanent authority will be received early in 1957. Burlington Truck Lines, Inc. is also seeking authority to purchase the Love Transfer with rights between Kansas City and St. Joseph, Missouri, including Leavenworth and Atchison, Kansas. The purchase of the Arrow Freight Lines with operating rights in Nebraska, reaching into the North Platte Valley and the Black Hills territory, is still pending before the Interstate Commerce Commission and it is hoped authority will be received in 1957 to make that purchase. Consideration is also being given to the acquisition of operating rights at other points in an effort to "blanket" more completely the rail lines with truck service.

CHANGES IN ORGANIZATION

The following officers retired under the Pension Rules in 1956:

Mr. H. H. Urbach, Assistant Vice President-Mechanical, after 47 years of service with the Company.

Mr. F. A. Kilker, General Freight Claim Agent, after 48 years of service with the Company.

Mr. B. L. Gartside, Passenger Traffic Manager, after 43 years of service with the Company.

Mr. T. W. Wigton, Assistant General Superintendent Communications, was appointed General Superintendent Communications, effective January 1, 1956, after 21 years of service with the Company.

Mr. V. A. Leengran, Assistant Freight Claim Agent, was appointed General Freight Claim Agent, effective March 31, 1956, after 42 years of service with the Company.

Mr. W. F. Burke, General Passenger Agent, was appointed Passenger Traffic Manager-Lines West, effective October 1, 1956, after 30 years of service with the Company.

* * *

The Company expresses appreciation to its officers and employes whose energy, ability, and loyalty contributed to the important accomplishments of the year.

By the order of the Board of Directors.

H. C. MURPHY, President

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 40 to 42)

Percent of Ry. Oper. Revenue	1956	Railway Operating Revenues	1955	Percent of Ry. Oper. Revenue
82.59	$212,288,429	Freight	$203,700,425	81.73
7.87	20,226,396	Passenger	19,249,645	7.72
4.12	10,583,811	Mail	10,015,901	4.02
1.38	3,532,844	Express	3,381,927	1.36
1.89	4,863,730	All other transportation	4,727,377	1.90
1.74	4,480,882	Incidental	7,208,840	2.89
.41	1,056,403	Joint facility	942,157	.38
100.00	257,032,495	Total railway operating revenues	249,226,272	100.00
Operating Ratios		**Railway Operating Expenses**		Operating Ratios
13.91	35,749,003	Maintenance of way and structures	37,759,174	15.15
16.64	42,790,642	Maintenance of equipment	39,149,896	15.71
2.65	6,806,132	Traffic	6,155,534	2.47
38.84	99,819,421	Transportation	97,279,128	39.03
1.46	3,749,597	Miscellaneous operations	3,484,666	1.40
2.89	7,444,805	General	6,876,533	2.76
76.39	196,359,600	Total railway operating expenses	190,704,931	76.52
23.61	60,672,895	Net revenue from railway operations	58,521,341	23.48
	11,773,200	Federal income taxes	10,558,348	
	8,211,183	Federal payroll taxes	7,103,407	
	11,408,138	All other taxes	11,188,480	
	*31,392,521	Total taxes	*28,850,235	
	29,280,374	Railway operating income	29,671,106	
	Dr. 1,501,309	Hire of equipment—Net	Dr. 1,140,454	
	Dr. 2,236,778	Joint facility rents—Net	Dr. 2,040,249	
	25,542,287	Net railway operating income	26,490,403	
		Other Income		
	1,068,592	Rentals	952,727	
	1,947,021	Dividends and interest	1,557,333	
	48,168	Miscellaneous	32,332	
	3,063,781	Total other income	2,542,392	
	28,606,068	Total income	29,032,795	
		Deductions from Total Income		
	37,390	Rents payable	31,695	
	158,525	Taxes on nonoperating property	147,758	
	87,108	Miscellaneous income charges	61,318	
	283,023	Total deductions	240,771	
	28,323,045	Income available for fixed charges	28,792,024	
		Fixed Charges		
	52,665	Rent for leased roads and equipment	51,710	
	6,643,492	Interest on funded debt	6,524,607	
	818	Interest on unfunded debt	3,682	
	60,852	Amortization of discount on funded debt	54,179	
	6,757,827	Total fixed charges	6,634,178	
	21,565,218	Net income after fixed charges	22,157,846	
		Disposition of Net Income		
	12,812,902	Dividend appropriations of income	12,812,902	
	$ 8,752,316	Balance of income transferred to Earned Surplus	$ 9,344,944	

*See page 25—"Taxes"

GENERAL BALANCE SHEET

December 31, 1956

ASSETS

CURRENT ASSETS:		
Cash		$ 24,764,675
Temporary cash investments		27,185,025
Special deposits		755,671
Loans and notes receivable		500,065
Net balance receivable from agents and conductors		4,600,201
Miscellaneous accounts receivable		7,392,581
Interest and dividends receivable		118,001
Accrued accounts receivable		5,422,593
Working fund advances		137,907
Prepayments		140,312
Material and supplies		19,636,365
Other current assets		632,340
Total current assets		91,285,736
SPECIAL FUNDS:		
Sinking funds		1,732
Capital and other reserve funds		3,478,361
Total special funds		3,480,093
INVESTMENTS:		
Investments in affiliated companies:		
Stocks	$ 26,063,965	
All other	12,113,529	38,177,494
Other investments:		
Stocks	$ 3,690,618	
Bonds	7,206,688	
All other	7,813	10,905,119
Total investments		49,082,613
PROPERTIES:		
Road and equipment property		880,169,902
Accrued depreciation—Road and equipment	$174,227,584	
Amortization of defense projects—Road and equipment	40,800,925	215,028,509
Total transportation property less recorded depreciation and amortization		665,141,393
Miscellaneous physical property		8,571,999
Total properties less recorded depreciation and amortization		673,713,392
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets		541,467
Unamortized discount on long-term debt		387,753
Other deferred charges		3,455,704
Total other assets and deferred charges		4,384,924
Grand Total		$821,946,758

GENERAL BALANCE SHEET

December 31, 1956

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Traffic and car-service balances—Cr.		$ 2,416,006
Audited accounts and wages payable		12,853,413
Miscellaneous accounts payable		3,460,454
Interest matured unpaid		255,362
Unmatured interest accrued		2,176,279
Accrued accounts payable		4,507,031
Taxes accrued		17,052,669
Other current liabilities		3,534,334
Total current liabilities		46,255,548

LONG-TERM DEBT:

Funded debt unmatured (Page 36):		
Total issued	$320,525,100	
Held by or for company	178,813,100	141,712,000
Equipment obligations (Page 36)		75,246,915
Amounts payable to affiliated companies		1,075,439
Total long-term debt		218,034,354

RESERVES:

Insurance reserves	1,392,996
Casualty and other reserves	6,030,346
Total reserves	7,423,342

OTHER LIABILITIES AND DEFERRED CREDITS:

Other liabilities	522,069
Unamortized premium on long-term debt	284
Other deferred credits	440,155
Accrued depreciation—Leased property	113,596
Total other liabilities and deferred credits	1,076,104

SHAREHOLDERS' EQUITY:

Capital stock issued	170,839,100
Common stock—Par value $100 per share.	
Capital surplus	316,033
Retained income	
Retained income—Appropriated (Page 32)	48,025,460
Retained income—Unappropriated (Page 32)	329,976,817
Total retained income	378,002,277
Total shareholders' equity	549,157,410
Grand Total	$821,946,758

COMPARATIVE STATEMENT OF UNAPPROPRIATED EARNED SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1956	1955	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$322,309,578	$309,103,639	$ 13,205,939	
Credit balance transferred from income	8,752,316	9,344,944		$ 592,628
Miscellaneous credits	438,399	3,977,670		3,539,271
Total	$331,500,293	$322,426,253	$ 9,074,040	
DEBITS:				
Miscellaneous debits	$ 1,523,476	$ 116,675	$ 1,406,801	
Credit balance carried to balance sheet	329,976,817*	322,309,578*	7,667,239	
Total	$331,500,293	$322,426,253	$ 9,074,040	

* Approximate application of Income included in Unappropriated Earned Surplus as of December 31:

	1956	1955
Net working capital retained in the business	$ 49,239,477	$ 47,142,741
Invested in affiliated and non-affiliated companies	20,479,465	20,483,985
Expended in improving the Railroad plant	260,257,875	254,682,852
	$329,976,817	$322,309,578

Appropriated Surplus Income of $48,025,460 (page 31) was expended in retiring Funded Debt prior to year 1928.

INVESTMENT IN ROAD AND EQUIPMENT
YEAR 1956

Account		Additions and Betterments
Engineering		$ 469,886
Land for transportation purposes		530,239
Other right-of-way expenditures		24,478
Grading		2,229,199
Tunnels and subways		6,237
Bridges, trestles and culverts		2,053,058
Ties		492,027
Rails		561,655
Other track material		804,215
Ballast		508,622
Track laying and surfacing		479,098
Fences, snowsheds and signs		66,110
Station and office buildings		474,840
Roadway buildings		164,011
Water stations	Cr.	265,884
Fuel stations	Cr.	100,079
Shops and enginehouses	Cr.	1,133,496
Communication systems		225,117
Signals and interlockers		2,216,896
Power plants	Cr.	129,868
Power-transmission systems	Cr.	10,557
Miscellaneous structures		85,463
Roadway machines		62,563
Roadway small tools		3,844
Public improvements—Construction		390,881
Shop machinery	Cr.	374,855
Power-plant machinery	Cr.	215,390
Total expenditures for road		9,618,310
Steam locomotives	Cr.	487,764
Other locomotives		1,441,759
Freight-train cars		3,622,535
Passenger-train cars		6,859,227
Work equipment	Cr.	57,258
Miscellaneous equipment		23,234
Total expenditures for equipment		11,401,733
Organization expenses		1
General officers and clerks	Cr.	9,997
Law	Cr.	4,542
Stationery and printing	Cr.	577
Taxes	Cr.	3,792
Interest during construction	Cr.	208,753
Other expenditures—General	Cr.	2,410
Total general expenditures	Cr.	230,070
Grand Total		$20,789,973

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1956	1955
Actual miles road operated, end of year	8,799.59	8,805.85
Average mileage of road operated—Total	8,804.00	8,823.89
Average mileage of road operated—Freight Service	8,769.80	8,789.87
Average mileage of road operated—Passgr. Service	4,828.22	4,866.67
TRAIN MILES		
Freight	13,168,976	13,730,367
Passenger	11,969,066	11,911,929
Total transportation service	25,138,042	25,642,296
Work service	115,457	121,488
LOCOMOTIVE MILES		
Freight	13,434,856	14,091,156
*Passenger	11,365,784	11,290,936
Train and yard switching	6,927,282	6,947,960
Total transportation service	31,727,922	32,330,052
Work service	616,960	614,402
CAR MILES		
Loaded freight cars	596,173,719	588,897,597
Empty freight cars	289,887,007	277,550,895
Sum of loaded and empty	886,060,726	866,448,492
Caboose	12,440,632	12,995,785
Total freight cars	898,501,358	879,444,277
Coach and combination passenger cars	29,713,390	29,330,474
Sleeping and parlor	22,599,527	22,473,763
Club, lounge, dining and observation	10,329,893	9,849,801
Other	43,924,436	43,585,075
Total passenger cars	106,567,246	105,239,113
Total transportation service	1,005,068,604	984,683,390
Work service	949,453	1,061,282
FREIGHT SERVICE		
Tons—revenue freight	50,130,458	49,183,080
Tons—revenue and non-revenue freight	52,521,522	51,719,024
Ton-miles—revenue freight	16,670,939,060	16,096,078,287
Ton-miles—revenue and non-revenue freight	17,340,305,700	16,850,439,300
PASSENGER SERVICE		
Passengers carried—revenue	11,972,490	11,603,584
Passenger miles—revenue	886,356,727	861,327,340

*Excludes mileage of combination motor passenger cars:

1956 — 710,988
1955 — 727,429

STATISTICS OF OPERATIONS—Continued

ITEMS	1956	1955
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,502	1,562
Passenger-train miles	2,479	2,448
Transportation service train-miles	2,855	2,906
Transportation service locomotive-miles	3,604	3,664
Freight service car-miles	102,454	100,052
Passenger service car-miles	22,072	21,624
Freight revenue	$24,206.76	$23,174.45
Passenger service train revenue	$ 7,735.53	$ 7,300.17
Operating revenues	$29,194.97	$28,244.49
Operating expenses	$22,303.45	$21,612.34
Net operating revenue	$ 6,891.52	$ 6,632.15
Net railway operating income	$ 2,901.21	$ 3,002.12
Ton-miles—revenue freight	1,893,564	1,824,147
Ton-miles—all freight	1,977,275	1,917,029
Passenger-miles—revenue	100,677	97,613
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	45.27	42.89
Empty freight car-miles	22.01	20.21
Ton-miles—revenue freight	1,265.92	1,172.30
Ton-miles—all freight	1,316.75	1,227.24
Passenger train car-miles	8.90	8.83
Revenue passenger-miles	74.05	72.31
Freight revenue	$ 16.12	$ 14.84
Passenger service train revenue	$ 3.12	$ 2.98
Operating revenues	$ 10.22	$ 9.72
Operating expenses	$ 7.81	$ 7.44
Net operating revenue	$ 2.41	$ 2.28
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	27.96	27.33
Ton-miles—all freight	29.09	28.61
Freight revenue	$ .35609	$ .34590
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	17.19	16.87
Passenger revenue	$ .39223	$ .37709
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	332.55	327.27
Miles hauled—non-revenue freight	279.94	297.47
Miles hauled—all freight	330.16	325.81
Miles carried—revenue passengers	74.03	74.23
Revenue per ton of freight	$ 4.23472	$ 4.14168
Revenue per ton-mile of freight	$ .01273	$ .01266
Revenue per passenger	$ 1.68941	$ 1.65894
Revenue per passenger-mile	$ .02282	$ .02235
Operating ratio	76.39	76.52

FUNDED DEBT

December 31, 1956

	Owned by Company		Outstanding
	Unpledged	Pledged	
GENERAL MORTGAGE			
4% Bonds Due 3-1-1958	$ 7,282,000	(a)$146,542,000	$ 24,590,000
FIRST AND REFUNDING MORTGAGE			
Series B 4½% Bonds Due 2-1-1977	12,447,100		
Series of 1970 4½% Bonds Due 8-1-1970	10,140,000		
Series of 1970 2⅞% Bonds Due 8-1-1970	268,000		(b) 46,703,000
Series of 1985 3⅛% Bonds Due 8-1-1985	1,660,000		(c) 47,175,000
Series of 1990 3% Bonds Due 2-1-1990	474,000		(d) 22,747,000
Total Bonds	$32,271,100	$146,542,000	$141,215,000
UNSECURED NOTE			
3% Note Due 7-1-1957			497,000
EQUIPMENT TRUST CERTIFICATES			
Average interest 2.74%			53,966,000
CONDITIONAL SALE CONTRACTS			
Average interest 3.10%			21,280,915
Total Funded Debt	$32,271,100	$146,542,000	$216,958,915

(a) Pledged under First and Refunding Mortgage.

(b) Annual sinking fund $248,825.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1956

	Increase	Decrease
Bonds redeemed:		
First and Refunding 2⅞% Series of 1970		$ 229,000
First and Refunding 3⅛% Series of 1985		1,628,000
First and Refunding 3% Series of 1990		706,000
Principal of Unsecured Note redeemed:		
3% Unsecured Note 8/1/55		852,000
Principal of Equipment Obligations retired:		
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1949—No. 2		206,000
Equipment Trust of 1950		680,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		490,000
Equipment Trust of 1954—No. 2		320,000
Equipment Trust of 1955—No. 1		580,000
Equipment Trust of 1955—No. 2		290,000
Equipment Trust of 1956—No. 1		260,000
Equipment Conditional Sale Contracts		3,589,325
Securities issued:		
Equipment Trust of 1956—No. 1	$ 7,800,000	
Equipment Trust of 1956—No. 2	3,600,000	
	$11,400,000	$11,356,325
Net Increase	$ 43,675	

DESCRIPTION OF MORTGAGES

General Mortgage

The General Mortgage is a first lien on 7,584.79 miles of main and branch line railroad now owned by the Company, including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming, and Montana; is a first lien on all locomotives, cars, and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 305,262 shares of the capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

The General Mortgage contains no provision for redemption of the Bonds or for sinking fund. No additional Bonds may be issued under the Mortgage, but there is no limitation on the right to extend, by agreement with the holders, the maturity of outstanding General Mortgage Bonds.

First and Refunding Mortgage

The First and Refunding Mortgage is secured by the pledge of $146,542,000 principal amount, or 82.1 per cent of the General Mortgage Bonds issued, so that $1,257 principal amount of General Mortgage Bonds are pledged under the First and Refunding Mortgage with respect to each $1,000 principal amount of First and Refunding Mortgage Bonds outstanding in the hands of the public December 31, 1956. The First and Refunding Mortgage is a second lien on all railroad, equipment, and capital stock, on which the General Mortgage is a first lien as above stated, and the First and Refunding Mortgage is a first lien on 478.29 miles of railroad owned by the Company in the States of Wyoming, Montana, Illinois, Wisconsin, and Nebraska, and on certain capital stock of bridge, depot, terminal, and other companies.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Identures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

Series of 1970 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1953 to July 31, 1957; 102⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅞ August 1, 1953 to July 31, 1957; 101⅜ August 1, 1957 to July 31, 1961; after which redemption reduces periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 104½ August 1, 1953 to July 31, 1957; 103⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000, together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 102 August 1, 1953 to July 31, 1957; 101¾ August 1, 1957 to July 31, 1961; after which redemption reduces periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅝ February 1, 1954 to January 31, 1958; 103¼ February 1, 1958 to January 31, 1962; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100⅞ February 1, 1954 to January 31, 1958; 100¾ February 1, 1958 to January 31, 1962; after which redemption reduces periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			179.26	572.35
Illinois	1,579.69	382.67	40.95	2.19	1,025.48	3,030.98
Iowa	992.18	249.44			276.19	1,517.81
Kansas	200.49				23.26	223.75
Minnesota	23.09	2.71			38.87	64.67
Missouri	1,149.05	113.82			426.83	1,689.70
Montana	134.53				47.05	181.58
Nebraska	2,640.77	29.32			760.08	3,430.17
South Dakota	183.48				32.38	215.86
Wisconsin	220.25	214.17			63.74	498.16
Wyoming	677.59				207.65	885.24
Total*	8,193.69	992.65	40.95	2.19	3,080.79	12,310.27
Operated under lease or contract	605.64	129.90	.76	.76	450.46	1,187.52
Grand Total*	8,799.33	1,122.55	41.71	2.95	3,531.25	13,497.79

*Includes yard tracks and sidings owned but not operated as follows: Illinois .71 mile, Iowa .71 mile, Nebraska .27 mile, total 1.69 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31, 1955	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1956	Average tractive power all locomotives and average capacity all freight cars
Locomotives—Steam	140		9	131	
—Diesel Road	476	5		481	
—Diesel Switch	178			178	
—Gas-Electric	2			2	
Total Locomotives	796	5	9	792	61,150 Lbs.
Freight-train cars:					
Box	23,219	401	577	23,043	
Flat	1,914	366	30	2,250	
Stock	3,487	1	26	3,462	
Gondola and Hopper	13,931	40	144	13,827	
Caboose	529		11	518	
All classes of freight-train cars	43,080	808	788	43,100	49.68 Tons
Passenger-train cars:+					
Coaches	273	7	1	279	
Combination coach	43		5	38	
Parlor	6			6	
Dining	34	2	1	35	
Club, lounge and observation	36	4	2	38	
Postal	23			23	
Baggage, express and other nonpassenger	523	6	15	514	
Other passenger cars	27			27	
Total	965	19	24	960	
Passenger rail motor cars:					
Combination coach	5			5	
Other passenger-train rail motor	8			8	
Total	13			13	
All classes of passenger-train cars	978	19	24	973	
Company service cars:					
Business	15			15	
Ballast	1,287			1,287	
Derrick	3			3	
Wrecking	19		1	18	
Other company service	3,149	94	138	3,105	
All classes of company service cars	4,473	94	139	4,428	
All classes of cars in service	48,531	921	951	48,501	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1955	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1956
Freight-refrigerator cars*	2,319	1	156	2,164
Passenger-refrigerator cars*	13		6	7
Zephyr train cars‡	5			5
Sleeping cars#	89	15		104

+28 cars are articulated.

*Leased to Burlington Refrigerator Express Co.

‡Leased to Fort Worth and Denver Ry. Co.

#Leased to Pullman Co. (8 cars are articulated)

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1956	1955	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$212,288,429	$203,700,425	$ 8,588,004	
Passenger	20,226,396	19,249,645	976,751	
Baggage	25,311	23,117	2,194	
Parlor and chair car	169,695	160,035	9,660	
Mail	10,583,811	10,015,901	567,910	
Express	3,532,844	3,381,927	150,917	
Other passenger-train	228,806	219,088	9,718	
Milk	223,127	227,014		$ 3,887
Switching	4,216,791	4,098,123	118,668	
Total	$251,495,210	$241,075,275	$ 10,419,935	
INCIDENTAL:				
Dining and buffet	$ 2,358,831	$ 2,250,795	$ 108,036	
Station and train privileges	60,340	56,154	4,186	
Parcel room	340	492		$ 152
Storage—Freight	36,225	38,052		1,827
Storage—Baggage	3,794	4,071		277
Demurrage	562,295	495,449	66,846	
Communication	101,481	115,044		13,563
Power	7,588	6,874	714	
Rents of buildings and other property	419,997	407,964	12,033	
Miscellaneous	929,991	3,833,946		2,903,955
Total	$ 4,480,882	$ 7,208,841		$ 2,727,959
Joint facility—Cr.	$ 1,068,650	$ 961,686	$ 106,964	
Joint facility—Dr.	Dr. 12,247	Dr. 19,530	7,283	
Total	$ 1,056,403	$ 942,156	$ 114,247	
Total railway operating revenues	$257,032,495	$249,226,272	$ 7,806,223	

	1956	1955	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 30,468,062	$ 32,268,241		$ 1,800,179
Maintenance of equipment	31,882,163	29,129,338	$ 2,752,825	
Traffic	6,806,132	6,155,534	650,598	
Transportation	99,819,421	97,279,128	2,540,293	
Miscellaneous operations	3,749,597	3,484,666	264,931	
General	7,444,805	6,876,533	568,272	
Railway operating expenses—excluding depreciation and retirements	$180,170,180	$175,193,440	$ 4,976,740	
Depreciation and Retirements—				
Road Property	5,280,941	5,490,933		$ 209,992
Equipment	10,908,479	10,020,558	887,921	
Total railway operating expenses	$196,359,600	$190,704,931	$ 5,654,669	
Operating Ratio (For Operating Ratios by general accounts see Page 29)	76.39	76.52		.13
Net revenue from railway operations	$ 60,672,895	$ 58,521,341	$ 2,151,554	
Railway tax accruals	$ 31,392,521	$ 28,850,235	$ 2,542,286	
Railway operating income	$ 29,280,374	$ 29,671,106		$ 390,732
RENT INCOME				
Rent from equipment	$ 1,504,225	$ 1,773,954		$ 269,729
Joint facility rent income	767,303	753,937	$ 13,366	
Total rent income	$ 2,271,528	$ 2,527,891		$ 256,363
RENTS PAYABLE				
Rents for equipment	$ 3,005,534	$ 2,914,408	$ 91,126	
Joint facility rents	3,004,081	2,794,186	209,895	
Total rents payable	$ 6,009,615	$ 5,708,594	$ 301,021	
Net rents	Dr.$ 3,738,087	Dr.$ 3,180,703		$ 557,384
Net railway operating income	$ 25,542,287	$ 26,490,403		$ 948,116

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1956	1955	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 6,825	$ 6,876		$ 51
Miscellaneous rent income	624,880	610,338	$ 14,542	
Income from nonoperating property	436,887	335,513	101,374	
Separately operated properties—profit	16,293	11,851	4,442	
Dividend income	1,049,710	997,500	52,210	
Interest income	897,311	559,833	337,478	
Release of premiums on funded debt	21	21		
Miscellaneous income	31,854	20,460	11,394	
Total other income	$ 3,063,781	$ 2,542,392	$ 521,389	
Total income	$ 28,606,068	$ 29,032,795		$ 426,727
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 37,390	$ 31,695	$ 5,695	
Miscellaneous tax accruals	158,525	147,758	10,767	
Miscellaneous income charges	87,108	61,318	25,790	
Total miscellaneous deductions	$ 283,023	$ 240,771	$ 42,252	
Income available for fixed charges	$ 28,323,045	$ 28,792,024	$ 468,979	
FIXED CHARGES				
Rent for leased roads and equipment	$ 52,665	$ 51,710	$ 955	
Interest on funded debt	6,643,492	6,524,607	118,885	
Interest on unfunded debt	818	3,682		$ 2,864
Amortization of discount on funded debt	60,852	54,179	6,673	
Total fixed charges	$ 6,757,827	$ 6,634,178	$ 123,649	
Net income after fixed charges	$ 21,565,218	$ 22,157,846		$ 592,628
Dividend appropriations of income	$ 12,812,902	$ 12,812,902		
Balance of income transferred to Earned Surplus	$ 8,752,316	$ 9,344,944		$ 592,628

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301,405	18,917,207	27,134,102
1955	8,823.89	203,700,425	19,249,645	26,276,202
1956	8,804.00	212,288,429	20,226,396	24,517,670

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Taxes	Average Per Mile of Road Operated		
				Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272
1955	249,226,272	190,704,931	28,850,235	28,244	21,612	3,270
1956	257,032,495	196,359,600	31,392,521	29,195	22,303	3,566

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47
1955	251,768,664	223,086,211	6,524,607	22,157,846	12.97
1956	260,096,276	231,887,566	6,643,492	21,565,218	12.62

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791
1955	8,823.89	37,759,174	39,149,896	97,279,128	4,279	4,437	11,025
1956	8,804.00	35,749,003	42,790,642	99,819,421	4,061	4,860	11,338

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	63.39
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42
1955	15.15	15.71	39.03	76.52
1956	13.91	16.64	38.84	76.39

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

FREIGHT AND PASSENGER TRAFFIC

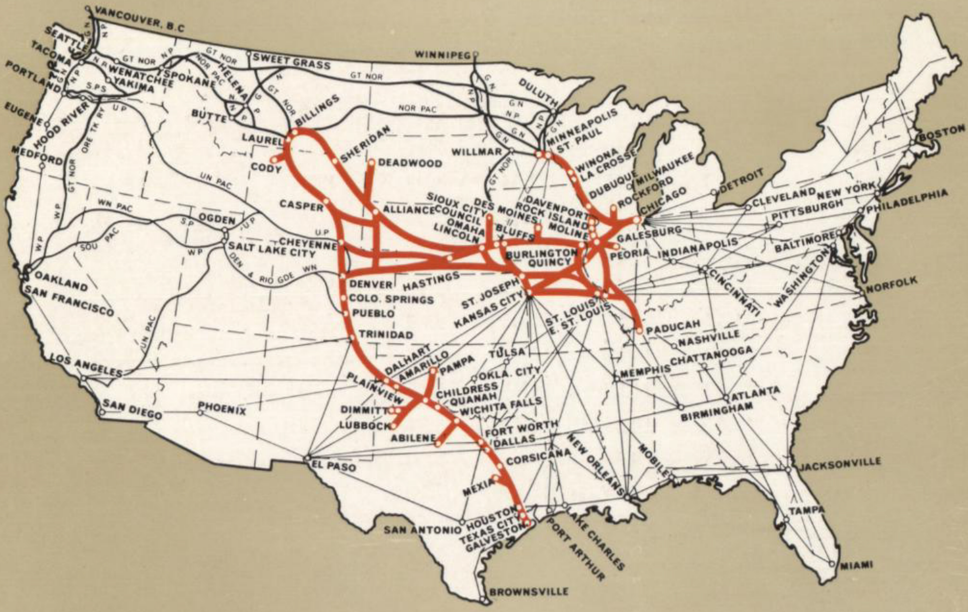
Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258
1955	1,437,596	16,096,078	1.266	861,327	2.235
1956	1,460,407	16,670,939	1.273	886,357	2.282

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	Forwarder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45
1955	18.95	8.33	15.91	6.65	41.38	5.16	3.62
1956	18.90	8.72	16.70	5.85	41.16	5.26	3.41

EVERYWHERE WEST


VANCOUVER, B.C
SEATTLE
TACOMA
PORTLAND
EUGENE
HOOD RIVER
MEDFORD
WENATCHEE
YAKIMA
SPOKANE
HELENA
SWEET GRASS
BUTTE
BILLINGS
LAUREL
CODY
SHERIDAN
DEADWOOD
CASPER
ALLIANCE
CHEYENNE
OGDEN
SALT LAKE CITY
OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
PHOENIX
EL PASO
DENVER
HASTINGS
COLO. SPRINGS
PUEBLO
TRINIDAD
DALHART
AMARILLO
PAMPA
PLAINVIEW
DIMMITT
LUBBOCK
ABILENE
CHILDRESS
QUANAH
WICHITA FALLS
FORT WORTH
DALLAS
CORSICANA
MEXIA
HOUSTON
TEXAS CITY
GALVESTON
SAN ANTONIO
BROWNSVILLE
PORT ARTHUR
LAKE CHARLES
NEW ORLEANS
MOBILE
TULSA
OKLA. CITY
ST. JOSEPH
KANSAS CITY
ST. LOUIS
E. ST. LOUIS
SIOUX CITY
COUNCIL BLUFFS
OMAHA
LINCOLN
DES MOINES
BURLINGTON
QUINCY
WINNIPEG
DULUTH
WILLMAR
MINNEAPOLIS
ST PAUL
WINONA
LA CROSSE
DUBUQUE
DAVENPORT
ROCK ISLAND
MOLINE
MILWAUKEE
ROCKFORD
CHICAGO
GALESBURG
PEORIA
PADUCAH
NASHVILLE
MEMPHIS
CHATTANOOGA
ATLANTA
BIRMINGHAM
JACKSONVILLE
TAMPA
MIAMI
INDIANAPOLIS
CINCINNATI
DETROIT
CLEVELAND
PITTSBURGH
NEW YORK
PHILADELPHIA
BALTIMORE
WASHINGTON
NORFOLK
BOSTON
GT NOR
NOR PAC
N P
G N
UN PAC
U P
S P S
W P
WN PAC
S P
SOU PAC
DEN & RIO GDE WN
ORE TR RY

WAY OF THE ZEPHYRS

1956

Burlington
Route